

House Republican Press Release

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O'Neill Supports Electricity Tax Cut



Partisan Maneuver Stops Proposal to Lower Costs to Power Consumers

HARTFORD – With a 22% increase on ratepayers having been implemented this year, and power consumers continuing to be gouged by rising costs, legislative Democrats blocked a proposal by House Republicans that would reduce the public utilities gross earning tax on electric and power companies. The proposal, which would reduce the residential rate from 6.8% to 4.0%, and the commercial rate from 8.5% to 5.0%, was rejected this past week on a party-line vote.

The rate cut was offered as part of an amendment to another bill concerning electric distribution companies. Representative Arthur O'Neill (R-Southbury) noted that rather than go on the record opposing the amendment, the Democrat majority used a parliamentary maneuver to shelve the entire bill.

O'Neill noted that Connecticut residents have been increasingly burdened by the approval of astronomical power rates this year, which began showing up in residents' power bills over the winter.

"The Democrats missed a great opportunity to return some of the \$600 million budget surplus back to the people who earned it," said O'Neill. "A large number of my constituents are seniors on fixed incomes who use electric heat. With the recent increase in power bills this tax cut would have benefited them all significantly."

O'Neill noted that the high costs of utilities are making it harder for residents to make ends meet, and are hurting businesses across Connecticut. "The majority have paid a lot of lip service to the notion of creating jobs and improving Connecticut's economy this year," he said. "However, in refusing to give a break on one of the more onerous taxes businesses pay, I question their commitment to this goal."

The proposal would have reduced the gross earnings tax by 41%, and saved ratepayers roughly \$60 million annually.